

1st February 2016

Food & Beverages

## Pernod Ricard

Price EUR107.95

Acquisition of a majority stake in Monkey 47

Fair Value EUR122 (+13%)

BUY-Top Picks

Bloomberg	RI FP
Reuters	PERP.PA
12-month High / Low (EUR)	117.3 / 88.3
Market Cap (EURm)	28,652
Avg. 6m daily volume (000)	565.3

	1 M	3 M	6 M	31/12/15
Absolute perf.	1.6%	0.1%	0.0%	2.6%
Food & Bev.	-1.9%	-1.5%	1.7%	-0.7%
DJ Stoxx 600	-7.4%	-8.9%	-13.1%	-6.4%

  

	06/15	06/16e	06/17e	06/18e
P/E	21.6x	19.4x	18.2x	16.9x
Div yield (%)	1.7%	1.9%	2.0%	2.1%

### ANALYSIS

- Last Friday, Pernod Ricard announced the purchase of a majority stake in Monkey 47's owner, Black Forest Distillers GmbH. This craft gin which is produced in the Black Forest region in Germany using 47 botanicals has gained a global following since its launch in 2010, and is now available in 50 countries across four continents. The price of the takeover has not been disclosed.
- This acquisition is no surprise since Pernod Ricard has always said that it is looking very closely at acquiring a craft spirit brand. It will extend the group's footprint in the super-premium gin category which is outpacing overall category growth. Monkey 47 is priced at around EUR50, higher than Pernod Ricard's current gin labels ie Beefeater, Plymouth and Seagram. The group said that it wants to expand the brand globally.

### VALUATION

- At Friday's share price, the stock is trading at 15.8x EV/EBIT 2015/16e and 15x EV/EBIT 2016/17e, 12% and 11% below the peers' average.

### NEXT CATALYSTS

- H1 2015/16 results due on February 11<sup>th</sup>

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## Distribution of stock ratings

BUY ratings 72%

NEUTRAL ratings 0%

SELL ratings 28%

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